

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 AID-05 IGA-02 AGRE-00 CIAE-00

COME-00 EB-08 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00

XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-01 PRS-01 PA-01 ABF-01

FEAE-00 INT-05 CU-02 /104 W

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R 240903Z FEB 77

FM AMEMBASSY ACCRA

TO SECSTATE WASHDC 6676

INFO AMEMBASSY LONDON

C O N F I D E N T I A L ACCRA 1371

LONDON FOR SEITZ

EO 11652 XGDS-3

TAGS: EALR, ECON, EFIN, GH

SUB: WHAT HAPPENED TO THE FOREIGN EXCHANGE??

1. PART OF THE MYSTERY OF GHANA'S MISSING FOREIGN EXCHANGE (FX) MAY HAVE BEEN SOLVED. IN THEORY, GHANA SHOULD HAVE AMPLE FX AT THE THE MOMENT, SINCE MUCH OF COCOA CROP HAS BEEN SOLD AND SKYROCKETING PRICES HAVE MUCH MORE THAN MADE UP FOR THE DROP IN COCOA PRODUCTION. COCOA, OF COURSE, ACCOUNTS FOR ABOUT TWO-THIRDS OF GHANA'S FX EARNINGS.

2. YET, EXAMPLES OF LACK OF EVEN MINIMAL FX ABOUND. FOREIGN AIRLINES (INCLUDING PANAM) HAVE NOT RECEIVED PERMISSION TO REMIT PROCEEDS OF ANY TICKETS SOLD SINCE MAY 1976, AND LOCAL AIRLINE COMMITTEE SERIOUSLY CONSIDERING RECOMMENDING IATA SANCTIONS. THE COUNTRY EXPERIENCED ACUTE PETROLEUM PRODUCTS SHORTAGE IN LAST FEW DAYS. THE REASON, ACCORDING TO INDUSTRY SOURCES, IS THAT GHANA'S CREDIT WITH CRUDE OIL SUPPLIERS AND
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TANKER CHARTERERS SIMPLY DRIED UP--NO FX.

3. COCOA INDUSTRY SOURCE HAS FIRM EVIDENCE THAT PROCEEDS OF SALE OF GHANA'S COCOA BEING DEPOSITED WITH GHANA COMMERCIAL BANK, LONDON, INSTEAD OF WITH GHANA COMMERCIAL BANK OR BANK OF GHANA, ACCRA, AS IS USUAL. ACCORDINGLY, ALL KINDS OF DIVERSION CAN OCCUR BEFORE REPATRIATION

OF FX TO GHANA, AND APPARENTLY IT IS. MAJOR CORRUPTION
IN THIS REGARD MAY NOW HAVE ESCALATED TO MACRO-THIEVERY.

4. THERE SEEMS TO BE SOME EFFORT TO SHUNT ASIDE THOSE
WHO MIGHT BLOW WHISTLE ON THIS ACTIVITY. IN SEARCH FOR
SCAPEGOAT ON GASOLINE SHORTAGE, BANK OF GHANA DEPUTY
GOVERNOR FRANK ANNO WAS SUMMARILY FIRED; ANNOUNCEMENT
FROM OFFICE OF SMC THAT CRUDE OIL SHIPMENTS TO REFINERY
DELAYED DUE TO ANNO'S DELAY IN MAKING PAYMENTS WAS
FRONT-PAGED FEB 23. ANNO, ONE OF BRIGHTEST AND MOST
ACCESSIBLE (AND, AS FAR AS WE ARE AWARE, HONEST) BANK
OF GHANA OFFICIALS, WOULD HAVE BEEN IN POSITION TO
COMPLAIN ABOUT LACK OF FX TO PAY FOR OIL. ALSO, FACT
THAT COMMISSIONER FOR ECONOMIC PLANNING GARDINER SUDDENLY
SENT ON EAST AFRICAN SHUTTLE DIPLOMACY (ACCAR 1317) MAY
BE TIED IN TO SAME SITUATION.

5. COMMENT: THERE IS EVERY PROSPECT GHANA WILL CONTINUE
TO EXPERIENCE SEVERE FX CONSTRAINTS, AND THAT PAYMENTS
WILL HAVE TO BE FURTHER JUGGLED. THE SEARCH FOR SCAPEGOATS
MAY BE MORE SUCCESSFUL THAN THE ONE FOR FX, UNLESS
THERE IS A MAJOR CHANGE OF HEART ON THE PART OF THOSE
LINING THEIR POCKETS. PERHAPS WE SHOULD BRACE FOR MORE
BLAMING ON "VICIOUS FOREIGNERS"--LIKE CIA, WHICH FEB 22
GHANAIAAN TIMES BLAMED FOR BOTH FUEL SHORTAGE AND STUDENT
BOYCOTT (ACCRA 1372 USINFO).
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